



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Monday Evening, September 19, 2016

Major Developments

Update: Colonial Pipeline Begins Construction of 36-inch Bypass on Line 1 in Alabama September 17; Delivers Some Gasoline to Southeast Using Contingency Configuration

Colonial Pipeline on Saturday evening began implementation of its plan to construct a bypass pipeline around the impacted segment of Line 1 after a leak of 6,000–8,000 barrels was discovered in Shelby County, Alabama on September 9. Additionally, the company said on Monday that supplemental supplies of gasoline had been delivered, or were in route to delivery terminals in Alabama, Georgia, Tennessee, South Carolina, and North Carolina by using a segment of the distillate line (Line 2) to ship gasoline for several days, which temporarily displaces distillate shipments. Colonial said it continues regular communications with its customers, who are also implementing individual contingency plans to minimize supply disruptions, including trucking and barging fuel from other markets and refineries. Colonial said that supply disruptions would be felt first in Georgia, Alabama, Tennessee, North Carolina, and South Carolina and motorists could temporarily pay more for gasoline in coming days. The Colonial pipeline system connects Gulf Coast refineries with markets across the southern and eastern United States through more than 5,500 miles of pipeline, delivering gasoline, diesel, jet fuel, and other refined products. Lines 1 and 2 run from Houston, Texas to Greensboro, North Carolina, supplying markets in Mississippi, Alabama, Tennessee, South Carolina, and North Carolina. Colonial's Lines 3 and 4 move fuels north from Greensboro to markets in Virginia, Maryland, Pennsylvania, and New Jersey before terminating in the New York Harbor area.

<https://helena.colonialresponse.com/>

http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/Files/220165005H_CAO_09162016.pdf

Update: Tennessee Governor Suspends Truck Driver Hours of Service Requirements September 16 to Mitigate Gasoline Shortages in Response to Capacity Reductions on Colonial Pipeline's Line 1

The Governor of Tennessee declared a state of emergency late on Friday after Colonial Pipeline's main gasoline pipeline – the 1.37 million b/d Line 1 – was shut Friday, September 9 due to the discovery of a gasoline leak near Helena, Alabama. The order, which remains in effect until Friday, September 23, waives Federal Motor Carrier Safety regulations limiting the operating hours for commercial truck drivers delivering gasoline and other fuels.

<https://www.tn.gov/news/45539>

EPA Suspends RFG Requirements September 16 in 11 East Coast States, District of Columbia to Mitigate Gasoline Shortages in Response to Capacity Reductions on Colonial Pipeline's Line 1

The U.S. Environmental Protection Agency (EPA), on Friday issued an emergency fuel waiver of reformulated gasoline (RFG) requirements through Thursday, October 6 for select Clean Air Act-regulated areas in Alabama, Delaware, Georgia, Kentucky, Maryland, Mississippi, New Jersey, North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia. The RFG waiver permits use of conventional gasoline blendstock for oxygenate blending (CBOB) in metropolitan areas of the affected states and DC, and additionally permits comingling of reformulated gasoline blendstock for oxygenate blending (RBOB) with CBOB. The waiver is intended to lift fuel specification restrictions in order to maximize distribution of gasoline in metropolitan areas impacted by capacity reductions on the Colonial Pipeline System.

<https://www.epa.gov/enforcement/multi-state-fuel-waiver>

ExxonMobil Working to Meet Customer Supply, Securing Alternative Supply Due to Capacity Reductions on Colonial Pipeline's Line 1

There were no additional details available indicating which customers Exxon was working with, nor delivery locations experiencing shortened fuel supplies
Reuters, 17:13 September 16, 2016

Electricity

Update: Entergy's 653 MW Pilgrim Nuclear Unit 1 in Massachusetts Restarts September 17, Ramps Up to 99 Percent by September 18

The unit shut from full power on September 7 due to high reactor water level.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2016/20160907en.html>

Update: FirstEnergy's 821 MW Beaver Valley Nuclear Unit 1 in Pennsylvania Ramps Up to 81 Percent by September 18

On the morning of September 17 the unit was operating at 48 percent, reduced from 96 percent on September 14.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Exelon's 1,022 MW Clinton Nuclear Unit in Illinois Reduced to 80 Percent by September 18

On the morning of September 17 the unit was operating at 90 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

NMC's 578 MW Monticello Nuclear Unit in Minnesota Reduced to 60 Percent by September 18

On the morning of September 17 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Crockett's 240 MW Gas-fired Unit in California Shut by September 18

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201609181515.html>

Update: AES's 226 MW Huntington Beach Gas-fired Unit 1 in California Returns to Service by September 16

The unit returned from an unplanned outage that began on September 13.

<http://content.aiso.com/unitstatus/data/unitstatus201609161515.html>

Coram California Development's 102 MW Brodie Wind Unit in California Shut by September 16

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201609161515.html>

BHE Renewables' 276 MW Solar Star Unit 2 in California Shut by September 16

The unit entered an unplanned outage.

<http://content.aiso.com/unitstatus/data/unitstatus201609161515.html>

Amazon Plans 253 MW Wind Farm in West Texas

Amazon on September 15 announced its Amazon Wind Farm Texas, a new 253 MW wind farm in Scurry County, Texas. The Amazon Wind Farm Texas will include more than 100 turbines and is scheduled to open in late 2017.

<http://phx.corporate-ir.net/phoenix.zhtml?c=176060&p=irol-newsArticle&ID=2202113>

First Wave-Produced Electricity in U.S. Goes Online in Hawaii September 19

The U.S. Navy has established a wave-produced electricity test site in Hawaii, with hopes that the technology can someday be used to produce clean, renewable power for offshore fueling stations for the Navy fleet and provide electricity to coastal communities. Hawaii has the highest electricity costs in the nation—largely because of its heavy reliance on oil delivered by sea—and has a legislative mandate to get 100 percent of its energy from renewables by 2045. Test sites run by other researchers are being planned or expanded in Oregon and California to take advantage of the powerful waves on the West Coast.

<http://abcnews.go.com/Technology/wireStory/wave-produced-electricity-us-online-hawaii-42187915>

Petroleum

Update: Sunoco Completes Repairs on Its 200,000 b/d Permian Express II Pipeline in Texas September 19

Sunoco Logistics on Monday said the repair of its Permian Express II crude oil pipeline was complete, but it was continuing to work with regulators on a return-to-service plan. The company received a corrective action order from pipeline regulators last week after the system leaked about 800 barrels of crude oil near Sweetwater, Texas on September 10. A segment of the pipeline must remain shut until regulators authorize a written restart plan.

Reuters, 1:00 September 19, 2016

Phillips 66 Reports CDU Upset at Its 336,000 b/d Wood River, Illinois Refinery September 16

Phillips 66 reported an upset at the crude distillation unit (CDU) at its Wood River refinery, according to a filing with the Illinois Emergency Management Agency. Energy intelligence firm Genscape had reported that a CDU was shut at the refinery over the weekend.

Reuters, 23:14 September 18, 2016

Phillips 66 Reports FCCU at Normal Rates at Its 238,000 b/d Bayway, New Jersey Refinery Following Compressor Failure September 16

Phillips 66 on September 18 said it had restored normal production rates at the fluid catalytic cracking unit (FCCU), a source familiar with refinery operations told Reuters. Phillips 66 had cut rates on Friday on the 150,000 b/d FCCU after a compressor blew. The size of the production cut was not reported.

Reuters, 16:01 September 16, 2016

Reuters, 22:16 September 18, 2016

LyondellBasell Reports Emissions, Propane Leak at Its 263,776 b/d Houston, Texas Refinery September 16

On Friday, LyondellBasell Industries reported emissions from a benzene recovery unit (BRU), according to a filing with the Texas Commission on Environmental Quality. In a separate incident on Friday night, a malfunction triggered a propane leak. The leak occurred after a pressure safety valve on the depropanizer unit released at the refinery following the malfunction, sources said. The amount of propane released had not been determined.

Reuters, 1:13 September 17, 2016

Reuters, 21:20 September 18, 2016

Valero Reports Flaring at Its 293,000 b/d Corpus Christi, Texas Refinery September 19

Valero reported operating conditions at its Corpus Christi refinery made flaring necessary, according to a community information system.

Reuters, 1:27 September 19, 2016

PBF Restoring Operations after Unplanned Flaring at Its 151,300 b/d Torrance, California Refinery September 19-20

PBF Energy said on Monday it was assessing the situation and working to restore safe operations at its Torrance refinery after an unplanned flaring event beginning September 19 and ending September 20. The flaring event was due to an issue with a local electrical utility, resulting in an offsite transformer failure. A refinery uses its safety flare when hydrocarbons cannot be processed normally due to a malfunction or planned work.

Reuters, 12:12 September 19, 2016

Update: SoCalGas Completes Additional Natural Gas Well Tests at Its Aliso Canyon Storage Facility in California September 19

Southern California Gas Co (SoCalGas) said on Monday more wells passed safety inspections at its Aliso Canyon natural gas storage facility in Los Angeles after the field was shut in October 2015 due to a massive methane leak that was plugged in February 2016. Under state law, SoCalGas cannot inject gas into Aliso Canyon until the California Division of Oil, Gas and Geothermal Resources (DOGGR) approves the company's testing of the 114 wells at the facility to ensure their safety. SoCalGas is owned by California energy company Sempra Energy and Aliso Canyon is the biggest of its four storage fields. It supplies natural gas to homes and businesses in Southern California, including power plants and refineries. According to its latest report on September 16, SoCalGas said 23 wells passed all safety tests, 15 awaited test results and 76 were temporarily out of operation. All wells must either pass all tests or be taken out of service before DOGGR can call a public meeting. Since DOGGR must give the public 15 days' notice before a meeting, SoCalGas could not start injecting gas into Aliso Canyon until some time in October at the earliest.

Reuters, 2:51 September 19, 2016

Regency Reports AGI Shut at Its 290 MMcf/d Waha Gas Plant in Texas September 17

Regency reported the acid gas injector (AGI) shut on cooler vibration. The vibration issue was corrected.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=243957>

DCP Midstream Reports Power Outage Shuts All Units at Its 160 MMcf/d Goldsmith Gas Plant in Texas September 17

DCP Midstream reported storms in the Permian Basin knocked out power to the Goldsmith gas plant causing a shutdown of all units. With the plant unable to process the gas, the inlet gas pressure exceeded the valve setpoint to flare causing the emission event. Once the storm passed through the area and the third party utility company restored power to the plant, the plant was restarted and flaring ceased. The volume released was limited since the plant was able to curtail gas by notifying producers and several DCP booster stations shut down due to the storm.

<http://www2.tceq.texas.gov/oce/eer/index.cfm?fuseaction=main.getDetails&target=243958>

Other News

Nothing to report.

International News

Militants Blow Up NNPC Oil Pipeline in Niger Delta

Militants blew up the Afiesere-Ekiugbo crude oil delivery line operated by Nigeria's state oil firm NNPC in the Niger Delta, a youth leader said on Monday, the latest in a series of attacks on oil and gas facilities in the restive region. The Niger Delta Greenland Justice Mandate group said it carried out the attack on the pipeline, in the town of Ughelli in Delta state, on Sunday night at around 11:30 p.m. There was no immediate information on any impact on production.

Reuters, 15:23 September 19, 2016

Energy Prices

| U.S. Oil and Gas Prices September 19, 2016 | | | |
|--|-------|----------|----------|
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 43.29 | 46.23 | 44.66 |
| NATURAL GAS Henry Hub \$/Million Btu | 2.94 | 2.92 | 2.68 |

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. ET. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov